GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:936
ANSWERED ON:19.07.2002
MONTHLY INCOME PLAN SCHEME OF UTI
AJAY CHAKRABORTY

Will the Minister of FINANCE be pleased to state:

(a) Whether the Unit trust of India (UTI) has offloaded most of its monthly income plan (MIP) portfolios in the market to few large FIIs;

(b) If so, the details thereof;

(c) Whether UTI has sought permission from the Governmentto sell its holdings in ITC Ltd. to its foreign partnerBAT in view of its current liquidity constraints; and

(d) If so, the present UTI stake in ITC Ltd. and the Government`s response to the UTI request to sell its holdings?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a) & (b): Every maturing scheme is expected to dispose of the holdings in its portfolio in order to generate the amounts required to be paid to the investors in the scheme. Accordingly, the Monthly Income Plans (MIPs)dispose of, in the market, the securities in their portfolio. According to UTI, MIPs have not disposed of any securities directly to any FIIs.

(c) & (d): UTI has intimated that no permission has been sought by it from the Government to sell its holding in any specific company or buyer. UTI holds 2,94,95,935 equity shares of ITC Ltd. as on 12th July, 2002.